

Senate File 463 - Introduced

SENATE FILE 463
BY COMMITTEE ON STATE
GOVERNMENT

(SUCCESSOR TO SSB 1107)

A BILL FOR

1 An Act concerning authorized investment vehicles in a
2 tax-sheltered investment program established by the
3 department of administrative services.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 8A.438, subsection 1, Code 2017, is
2 amended to read as follows:

3 1. The director may establish a tax-sheltered investment
4 program for eligible employees. The director may arrange for
5 the provision of investment vehicles authorized under section
6 403(b) of the Internal Revenue Code, as defined in section
7 422.3. If the director establishes a tax-sheltered investment
8 program pursuant to this section, the program shall include
9 investment vehicles authorized under section 403(b) of the
10 Internal Revenue Code provided by any insurance company or
11 investment company that is recommended for inclusion in the
12 program by a person licensed as an insurance producer under
13 chapter 522B, or registered as a securities agent or investment
14 adviser representative under chapter 502, by the insurance
15 division of the department of commerce. The director shall
16 require each insurance company and investment company included
17 in the program to utilize a common remitter and shall limit the
18 total number of insurance companies and investment companies
19 in the program to no more than thirty. To be eligible for
20 inclusion in the program, an insurance company shall have
21 filed with, and had the company's contract and forms approved
22 by, the insurance division of the department of commerce, and
23 an investment company shall be registered with the federal
24 securities and exchange commission. The department may
25 offer the tax-sheltered investment program to eligible public
26 employers in the state of Iowa.

27 EXPLANATION

28 The inclusion of this explanation does not constitute agreement with
29 the explanation's substance by the members of the general assembly.

30 This bill provides that if the director of the department of
31 administrative services establishes a tax-sheltered investment
32 program under section 403(b) of the Internal Revenue Code, the
33 program shall include investment vehicles from any insurance
34 company or investment company recommended for inclusion in
35 the program by a licensed insurance producer or registered

1 securities agent or investment advisor representative. The
2 bill provides that to be eligible for inclusion in the
3 program, the insurance company shall have filed with, and had
4 the company's contract and forms approved by, the insurance
5 division of the department of commerce, and an investment
6 company shall be registered with the federal securities
7 and exchange commission. In addition, the bill directs the
8 director of the department of administrative services to
9 require each insurance company and investment company in the
10 program to utilize a common remitter and to limit the total
11 number of companies in the plan to no more than 30.